

**SEVENTH AMENDMENT TO THE
USMX-ILA MASTER CONTRACT
MEMORANDUM OF SETTLEMENT
DATED AUGUST 28, 2013**

RECEIVED

SEP 30 2013 10:35

OFFICE OF THE SECRETARY
OF THE U.S. MARITIME

WHEREAS, the United States Maritime Alliance, Ltd. ("USMX") and the International Longshoremen's Association, AFL-CIO ("ILA") are parties to the USMX-ILA Master Contract ("Master Contract"), which establishes the terms and conditions of employment for employees represented by the ILA working on ships and terminals in ports on the East and Gulf Coasts of the United States in container and ro/ro operations; and

WHEREAS, the term of the current Master Contract began on October 1, 2012 and ends on September 30, 2018; and

WHEREAS, pursuant to Article XII, Section 6(a) of the Master Contract, every carrier that is bound to the Master Contract (with the exception of carriers operating in specific trade lanes) must pay on every weight ton of cargo handled by ILA-represented employees in the ports covered by the Master Contract an assessment to the Carrier-ILA Container Royalty Fund No. 5 ("CR-5 Fund") for the purposes described in Article XII, Section 6; and

WHEREAS, the current CR-5 assessment is 70 cents per weight ton; and

WHEREAS, pursuant to Article XII, Section 7(b) of the Master Contract, the carriers must pay a tonnage assessment equal to 25 cents per weight ton to the Carrier-ILA Container Freight Station Trust Fund ("CFS Fund") for the purposes set forth in Article XII, Section 7(a) of the Master Contract; and

WHEREAS, USMX and the ILA recognize that the CFS Fund is currently operating at a surplus; and

WHEREAS, USMX and the ILA have agreed that after the South Atlantic ILA/Employers Vacation & Holiday Fund (V&H Fund) receives all of the funding to which the V&H Fund is entitled

by virtue of the Master Contract and the local collective bargaining agreement between the South Atlantic Employers Negotiating Committee and the ILA, South Atlantic & Gulf District, the V&H Fund will receive assistance from the CR-5 Fund to enable the V&H Fund to pay an annual hourly vacation and holiday benefit not to exceed \$25.00 per hour, for the remainder of the term of this Master Contract; and

WHEREAS, USMX and the ILA agree that the CR-5 Fund shall have the right to audit the amounts received by the V&H Fund and paid out by the V&H Fund, including the right to audit the eligibility standards utilized by the V&H Fund to determine benefits; and

WHEREAS, USMX and the ILA have agreed that the criteria used by the CR-5 Fund Trustees to determine whether a local port request for assistance should be granted need to be clarified; and

WHEREAS, USMX and the ILA have agreed for the remainder of the term of the current Master Contract to utilize the combined per-ton assessments being collected for the CR-5 Fund and the CFS Fund to provide the benefits being dispensed by both of these Funds; and

WHEREAS, USMX and the ILA have agreed for the remainder of the term of the current Master Contract to direct the Container Royalty Central Collection Fund (CRCCF) to deposit the per-ton assessments being collected for both the CR-5 Fund and the CFS Fund into an escrow account maintained by the CRCCF which USMX and the ILA will allocate between the CFS Fund and the CR-5 Fund so as to enable those Funds to provide the benefits for which they were created, including in the case of the CR-5 Fund providing the V&H Fund with the assistance needed to pay an annual hourly vacation and holiday benefit not to exceed \$25.00 per hour for the remainder of the term of the current Master Contract; and


WHEREAS, USMX and the ILA agree that any disputes with respect to the terms of this Seventh Amendment to the Master Contract will be submitted to expedited arbitration pursuant to Article XIV, Section 6(d) of the Master Contract;

NOW THEREFORE, USMX and the ILA agree to the following terms:

1. The foregoing recitals are hereby incorporated by reference as though fully set forth in this paragraph and as so incorporated by reference are agreed to by the parties to this amendment.
2. The CR-5 Fund will provide additional assistance to the V&H Fund for the Contract Year ending September 30, 2016, in the amount of \$2,897,745.00.
3. For the remainder of the term of the current Master Contract, after the V&H Fund receives all of the funding to which the V&H Fund is entitled by virtue of the Master Contract and the local collective bargaining agreement between the South Atlantic Employers Negotiating Committee and the ILA, South Atlantic & Gulf District, the V&H Fund will receive assistance from the CR-5 Fund to enable the V&H Fund to pay according to the schedule in the trust agreement an annual hourly vacation and holiday benefit not to exceed \$25.00 per hour.
4. The CR-5 Fund shall have the right to audit the amounts received by the V& H Fund and paid out by the V&H Fund, including the right to audit the eligibility standards utilized by the V&H Fund to determine benefits.
5. Commencing immediately, USMX and the ILA will direct the CRCCF for the remainder of the term of this current Master Contract to deposit the per ton assessments being collected for the CR 5 Fund and the CFS Fund into an escrow account maintained by the CRCCF. USMX and the ILA will direct CRCCF to allocate the monies in the escrow account between the CFS Fund and the CR-5 Fund to fund the benefits being dispensed by both of these Funds without adjusting the per-ton assessment rates for these Funds.
6. Any disputes with respect to the terms of this Seventh Amendment to the Master Contract will be submitted to expedited arbitration pursuant to Article XIV, Section 6(d) of the Master Contract.

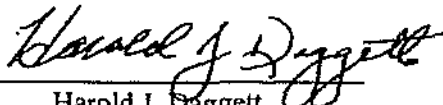
7. The Memorandum attached hereto as Exhibit 1 shall be immediately distributed to all the local ports and local-port-fringe benefit funds that have received assistance from the CR-5 Fund or have requested assistance from the CR-5 Fund during the term of the Master Contract.

UNITED STATES MARITIME
ALLIANCE, LTD.

By: 
David F. Adam,
Chairman & CEO

Date: March 2, 2017

INTERNATIONAL LONGSHOREMEN'S
ASSOCIATION, AFL-CIO

By: 
Harold J. Daggett,
President

Date: March 2, 2017

42581

EXHIBIT 1

MEMORANDUM

TO: Port Association Representatives

FROM: CR 5 Fund Trustees

DATE: March 3, 2017

RE: CR 5 Fund Criteria

Dear Representatives:

Set forth below are four points which will clarify the criteria which will be applied to future requests for assistance from the Container Royalty Fund No. 5 ("CR 5"). These points have been reviewed and approved by the CR 5 Trustees. Please distribute this Memorandum to any fringe benefit plan in your port or district which will apply for assistance from CR 5.

- Any port that fails to pay the MILA manhour contribution from the port's manhour assessment cannot submit an application to CR 5 for assistance.
- If a local port makes a contribution to the local pension plan in the Contract Year ending on September 30th which contribution is greater than the amount required to maintain the plan's green status or is considered an unreasonable contribution to a plan's yellow status as of September 30th, the amount of the overpayment to the pension plan shall be deducted from any amount sought by the local port from CR 5. Any port seeking assistance from CR 5 shall be required to submit a statement from the actuary for the port's pension plan setting forth any information requested by the CR 5 Trustees.
- Any port that submits an application to CR 5 must "cap" the administrative expenses for the local fringe benefit plan seeking CR 5 assistance from the Contract Year ending immediately prior to the date the port seeks assistance. In the event a port exceeds the cap, the port must identify the expenses that exceed the cap and explain why the expenses were incurred. If the port exceeds the cap, the CR 5 Trustees shall have the discretion to determine whether the extra expenses will reduce the assistance requested by the port.
- As a reminder, any port seeking CR 5 assistance must ensure that a formal application is submitted and the application includes all necessary information required by the CR 5 Standards and Criteria. Any application failing to provide all required information may be denied.